Low Credit Deposit Ratio in Eastern Region

3243. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Credit Deposit Ratio of the States in the Eastern Region is below the National average;

(b) if so, what are the details thereof; and

(c) what remedial steps Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) Credit Deposit Ratio of all Scheduled Commercial Banks in the States of the Eastern Region for the last three years is indicate below:

State/Region	CREDIT DEPOSIT RATIO (%)		
	March 1990	March 1991	March 1992
Eastern Region	52.6	51.8	50.5
Bihar	40.0	39.6	39.5
Orissa	81.3	76.5	72.2
Sikkim	28.3	18.3	26.6
West Bengal	54.9	54.5	52.7
Andaman & Nicobar Island	35.1	34.3	32.3
All India	65.8	66.2	61.0

It may be observed from the above Table that C:D ratio of all the States except Orissa is below the National average.

The Government and Reserve Bank of India (RBI) are aware of the persistent low credit deposit ratio in the deployment of bank funds in Eastern Region. The credit absorption capacity of a State/ Region depends upon factors such as development of infrastructural facilities and availablity of required inputs and marketing outlets for agricultural, industrial production etc. However, RBI have advised the banks to ensure that wide dispartiy in the ratios between different States is avoided.

Proposal to Appoint IAS Officers as Chairman of Banks

3244. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to appoint IAS Officers as Chairman of nationalised banks;

(b) if so, the reasons for deviation from the prevalent policy;

(c) whether it is also a fact that the All India Bank Officers' Confederation has strongly protested against this move; and

(d) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (d) Government have not taken any policy decision to appoint IAS officers as Chairman and Managing Directors (CMDs) of nationalised banks. However, in exceptional cases, particularly when suitable executives are not available from the banking system, Government do appoint officers belonging to the IAS and other services as CMDs of banks, keeping in view the special circumstances obtaining in such banks.

Misuse of Loans by Express Group

3245. SHRI ANANT RAM JAISWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned, 'Union seeks to join Express tussel' appearing in the Times of India (Delhi) of the 8th November, 1992;

(b) if so, whether is it a fact that Express Group applied for a loan of Rs. 10.87 crores from ICICI for the purchase of machinery from abroad;

(c) whether it is also a fact that the ICICI had opened a Letter of Credit for $4,182,387 in the name of German Company, Hassir Hieldelberg for the above said purpose;

(d) whether it is also a fact that second hand machinery had been purchased for only $15 million from the USA and shipped to Bombay; and

(e) whether Government have made any inquiry as to where the rest of the money had gone; and if so, the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Yes, Sir, The Industrial Credit and Investment Corporation of India Ltd. (ICICI) has reported that it had sanctioned to the Indian Express Group a lease assistance of Rs. 10 crores as part finance cost of the imported equipment from USA. However, the company did not avail of the sanctioned assistance and the same has since lapsed.

(c) No, Sir.

(d) & (c) Do not arise.

Floating of Bonds By Public Sector Undertakings

3246. SHRI VITHAL RAO MADHAV-RAO JADHAV: Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that a number of Public Sector Undertakings have sought and have been granted permission to raise public funds/borrowings by floating bonds during the current year;

(b) if so, what are the details thereof public sector wise;

(c) what operative action has been taken by each of the Public Sector Undertakings during the current year to raise the required funds;

(d) what are the Public Sector Undertaking-wise mobilisation of public funds through Bonds during the past five years;

(e) whether it is also a fact that the funds raised for specific purposes were invested in banks under FMS or fixed deposits; and

(f) if so, the details of such deals Public Sector Undertaking-wise action taken against the defauiting officer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) to (f) The Information is being collected and will be laid on the Table of the House.

Tandon and Chore Committee Report

3247. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received the report of Tandon and Chore Committee;

(b) if so, what are the main recommendations of the Committee;

(c) what is the reaction of the Government thereto and final decision taken thereon;

(d) whether PHDCCI has furnished a memorandum to Government in regard to the recommendations of the Committee; and

(e) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) Reserve Bank of India (RBI) had constituted a "Study Group to Frame Guidelines for Follow-up of Bank Credit" under the Chairmanship of Shri Prakash Tandon, the then Chairman of Punjab National Bank which submitted its report in August, 1975. RBI had, also, set up another Committee (known as Chore Committee) headed by Shri K.B. Chore, the then Chief Officer of RBI, in March, 1979 to review the system of cash credit, for making the working capital needs of the industry. The recommendation made were for commercial banks to follow up and supervise credit from the point of view of ensuring propoer end-use of funds, adoption of inventory norms for financing of industries, the improvements